

Disappearing Sources...

2002 NDIA

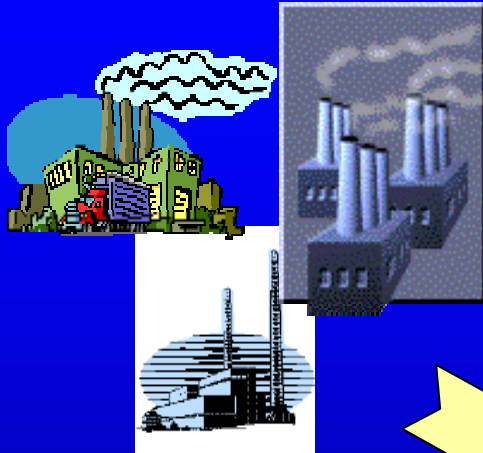
Executive Ammunition Summit

Bill Holmes

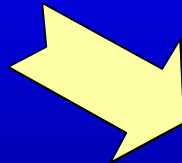
Day & Zimmermann Group, Inc



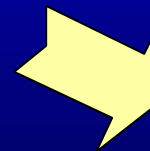
Disappearing Sources...



Yesterday



Today



Tomorrow



Disappearing Sources...

Just One Example...

A Load Assemble and Pack Plant

23 Different Components

Currently Provided By A Sole Source



Disappearing Sources...

One Scenario

- Cold War Stockpile Drawdown Completed
- New Production Of Long Fielded Items
(M107 Artillery; M67 Hand Grenade)
- Once Reliable Component Suppliers No Longer Exist
- Long and Expensive Qualification Process
- No Competitive Leverage To Hold Down Prices



Disappearing Sources...

Some Specific Examples

- Brass Cases
- Black Powder
- Grenade Bodies
- Lead Azide
- Links
- Cotton Linters



Disappearing Sources...

Some Specific Examples (cont)

- Batteries
- Sensors
- Tactical Munitions Dispenser Bodies & Fuzes
- Parachutes



Disappearing Sources...

Implications

- Sole Source Price Creep
- Competition vs. Source Protection
- Production Disruptions
- Modernization Constraints

Higher Cost
Lower Quality
Delayed Delivery



Disappearing Sources...

One Path Forward

- Recognize As Joint Government – Industry Problem
- Attack GFM vs. Contractor Procurement Issue
- Identify Critical Suppliers That Could Cause System Failure
- Systematically Review TDPs For Possible Substitution
- If Required, Plan For New Suppliers
- Develop and Qualify New Suppliers
- Monitor New Supplier Performance

